



USDA Foreign Agricultural Service

# GAIN Report

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## Brazil

## Oilseeds and Products

## Soybean Update

**2007**

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**Report Highlights:**

This year's soybean crop is highly influenced by the El Niño weather pattern, which has brought regular and significant rains to Brazil's growing areas. Post's March number increased to 57.1 MMT due to the excellent overall weather conditions. Area was increased 200,000 Hectares to capture farmers' response to recent high international soybean prices. Rust occurrences have nearly doubled from last year, and along with excessive humidity, have affected yields in certain areas. Brazil's soybean harvest has reached 25 percent completion.

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Includes PSD Changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
Brasilia [BR1]  
[BR]

## Production

Post's production number for March increased to 57.1 MMT due to the excellent overall weather conditions. In contrast to last three growing seasons, this year's soybean crop is positioned to produce the best yields since 2002/03, with an expected overall yield of 2.75, surpassing the 5-year average yield of 2.53. Due to the liquidity crisis in Brazil, farmers did not in all cases use recommended applications of inputs, but evenly dispersed and heavy rains throughout the crucial development stages of flowering and podfill have helped this year's crop a great deal.

Conab's (Brazilian Government food supply company) latest survey estimates the soybean harvest at 56.7 MMT. Local ag consultants Safras and Céleres estimate Brazilian soybean production at 57.8 and 58.0 MMT, respectively.

<b>Post Forecast Soybean Area, Yield, and Production</b>			
(1000 ha; Tons/ha, Thousand tons)			
<b>Region</b>	<b>Area</b>	<b>Yield</b>	<b>Production</b>
<b>Center West</b>	<b>8953</b>	<b>2.887</b>	<b>25850</b>
MS	1700	<b>2.824</b>	4800
MT	5050	<b>2.911</b>	14700
GO	2150	<b>2.884</b>	6200
DF	53	<b>2.830</b>	150
<b>South</b>	<b>8375</b>	<b>2.633</b>	<b>22050</b>
PR	4000	<b>3.000</b>	12000
SC	375	<b>2.800</b>	1050
RS	4000	<b>2.250</b>	9000
<b>Southeast</b>	<b>1460</b>	<b>2.808</b>	<b>4100</b>
MG	930	<b>2.796</b>	2600
SP	530	<b>2.830</b>	1500
<b>Northeast</b>	<b>1443</b>	<b>2.640</b>	<b>3810</b>
MA	378	<b>2.593</b>	980
PI	225	<b>2.800</b>	630
BA	840	<b>2.619</b>	2200
<b>North</b>	<b>516</b>	<b>2.595</b>	<b>1339</b>
RO	100	<b>2.700</b>	270
AM	3	<b>3.000</b>	9
RR	18	<b>3.333</b>	60
PA	85	<b>2.824</b>	240
TO	310	<b>2.452</b>	760
<b>Totals</b>	<b>20747</b>	<b>2.755</b>	<b>57149</b>

## Rust

Embrapa Soja, Brazil's soybean research entity, has reported 2168 cases of soybean rust so far this season. The number of registered cases has nearly doubled since this time last year, due to the considerable amount of humidity present in the fields versus last year, as well as the increase in Embrapa's ability to monitor the disease. Control of rust has also been helped by laws that now prohibit monocropping of soybeans and require that farmground be left fallow for a period in order to prevent the spread of the disease. However, during periods of heavy precipitation, spraying was at times impossible and losses during these times of continual rain occurred.

## Transportation Woes

After the intense rains that have fallen in Brazil throughout the month of February, transportation has become a major problem. To start with, roads worn down by months of water have been left in bad condition, occasionally impassible, and at best, full of deep potholes and treacherous areas.

The other complication is that at the break in the rains, farmers moved out quickly with their harvesters to get their crop out. However, many farmers rushed to harvest at the same time and suffered a sudden competition for transportation. High demand for trucks occurred in all the areas attempting to harvest in the last days of February. In Northern Mato Grosso (Sinope/Sorriso), trucking rates were reported over 30% higher than January rates. Drivers are also drawn away from this major production area to other areas with better roads in Mato Grosso do Sul and Goias. In the more isolated soybean areas of Brazil, which grew up due to lower land prices, producers often pay the difference through the transportation rates they are forced to pay.

Many farmers don't have storage for their soybeans, and instead leave the beans in the field until they secure trucking for them. In Sorriso, 18,000 MT of soybeans ready to harvest were reportedly left for two weeks while waiting for transportation. The transportation shortage may impact yields if farmers leave beans in the field too long.